

# **Exhibit P**

**Rating Agency Update:**  
**[Rating Agency Name Here]**

**\$320 million Senior Secured Credit Facility**



**SunCal Companies**

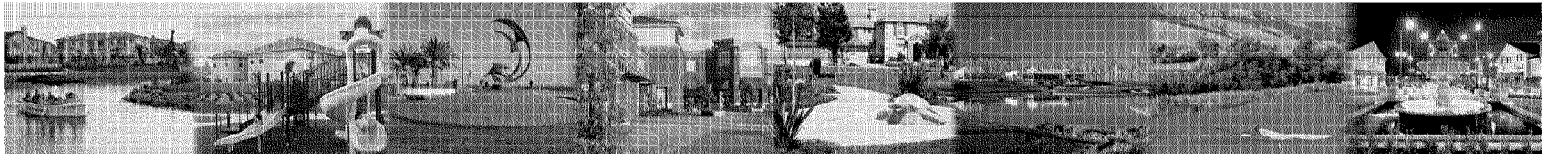
**November 2005**

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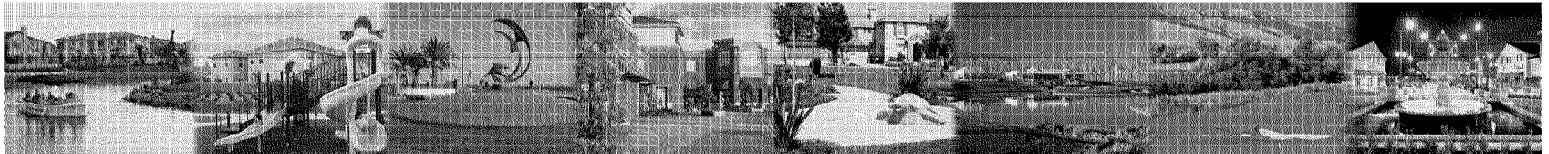




## I. Overview of Structural Changes

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- ◆ SunCal and Lehman have targeted a structure that includes a Revolver to optimize the efficiency of the transaction
  - While the total Credit Facility will remain \$320mm, efficiency created through the revolver will reduce the term loan components to a total of \$245mm
  - Structure will retain the ability of sponsor to “balance sheet” up to \$50mm of cash to create additional cash and liquidity
- ◆ Proposed structure will include a \$25mm Liquidity Reserve not previously contemplated
- ◆ Improved Covenants
  - An ongoing liquidity covenant of \$50mm will be added to the covenant package
  - First Lien Leverage and Total Leverage covenants have been reduced

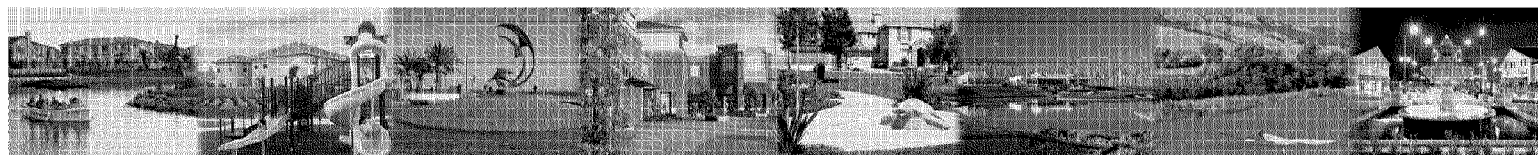




## II. Summary Term Sheet

### Indicative Terms

<b>Borrower:</b>	LBREP/L SunCal Master I, LLC (the "Borrower")
<b>Guarantor:</b>	Each of the Borrower's direct and indirect domestic subsidiaries
<b>Description of Facility:</b>	<ul style="list-style-type: none"> <li>◆ \$320.0 million senior secured credit facility consisting of: <ul style="list-style-type: none"> <li>– \$75.0 million 3-year senior secured revolver;</li> <li>– \$160.0 million 4-year senior secured term loan; and</li> <li>– \$85.0 million 5-year second lien term loan</li> </ul> </li> </ul>
<b>Collateral:</b>	The First Lien Term Loan and Revolver shall be secured by a first priority security interest in three separate land parcels of currently undeveloped land parcels located in California, pledges of Purchase and Sale Agreements for Borchard and a portion of SummerWind Ranch, first priority security interest in the Development Account and Operating Accounts and pledges of equity of the Borrower's ownership interests in the Developments. The Second Lien Term Loan shall be secured by a second priority security interest in the Collateral
<b>Use of Proceeds:</b>	Proceeds from the Facility, on the closing date, shall be used to: (i) repay \$61.7 million of existing indebtedness, (ii) fund \$144 million of principal equity, (iii) pre-fund \$3.1 million for future development needs which shall be deposited into a separate cash development account (the "Development Account"), and (iv) fund related fees and expenses
<b>Expected Rating:</b>	First Lien: [Ba3/BB-] Second Lien: [ B1/B+ ]
<b>LIBOR Margin:</b>	<ul style="list-style-type: none"> <li>◆ Revolver: L + [TBD] bps;</li> <li>◆ First Lien Term Loan: L + [TBD] bps; and</li> <li>◆ Second Lien Term Loan: L + [TBD] bps</li> </ul>
<b>Unused Revolver Fee:</b>	50.0 bps on the unused portion of the Revolver

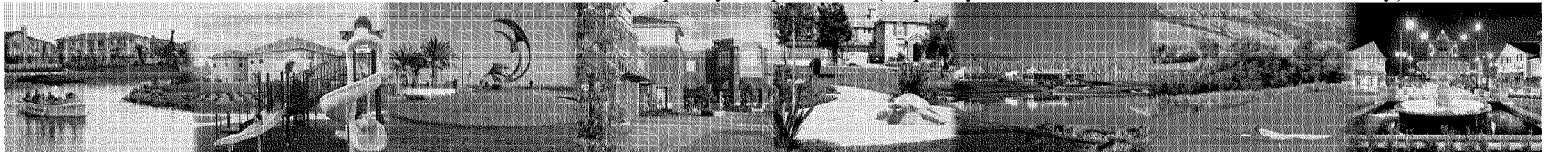




## II. Summary Term Sheet (contd.)

### Indicative Terms (contd.)

<b>Excess Cash Flows:</b>	For any quarter, (i) the net cash proceeds of the sale of real property during such fiscal quarter less budgeted real property expenses for such fiscal quarter, the aggregate amount of interest and principal payments made during such fiscal quarter and certain tax distributions made during such fiscal quarter, plus (ii) the net proceeds from the issuance of any permitted CFD Bonds
<b>Mandatory Prepayments:</b>	<ul style="list-style-type: none"> <li>◆ The following amounts shall be applied to prepay the Facility in an order to be determined: <ul style="list-style-type: none"> <li>– 50% of equity; and</li> <li>– 100% of debt</li> </ul> </li> <li>◆ Excess Cash Flow shall be distributed in the following order: <ul style="list-style-type: none"> <li>– Deposit, if necessary, an amount required to maintain the \$25mm Liquidity Reserve</li> <li>– Repay any amounts outstanding under the Revolver until reduced to zero</li> <li>– At the Company's option, up to \$50mm may be retained in the Development Account to fund future development expenditures</li> <li>– Prior to the reduction of term debt to \$122.5mm used to pay down term debt in order of priority</li> <li>– Following the reduction of term debt to \$122.5mm, no less than 50% may be used to repay term debt and no more than 50% may be distributed to Sponsors</li> </ul> </li> </ul>
<b>Voluntary Prepayments</b>	<ul style="list-style-type: none"> <li>◆ First Lien: Prepayable at any time without premium or penalty</li> <li>◆ Second Lien: Callable at 103% in Yr 1, 102% in Yr 2, 101% in Yr 3 and par thereafter</li> </ul>
<b>Amortization:</b>	<ul style="list-style-type: none"> <li>◆ First Lien Term Loan: 0.25% paid quarterly, with the remainder due at maturity</li> <li>◆ Second Lien Term Loan: Bullet payment due at maturity</li> </ul>
<b>Liquidity Reserve:</b>	\$25mm of Restricted Cash required until the total debt has been reduced to \$122.5mm
<b>Financial Covenants:</b>	<ul style="list-style-type: none"> <li>◆ Shall include but not be limited to: <ul style="list-style-type: none"> <li>– Maximum total debt to total net value;</li> <li>– Maximum senior debt to total net value; and</li> <li>– Minimum Liquidity Requirement (Liquidity Reserve + Cash + Revolver Availability)</li> </ul> </li> </ul>





### III. Updated Financial Information

#### Sources and Uses at Close

*(\$ in millions)*

#### Sources

Revolver (\$75mm)	\$0.0
First Lien Term Loan	160.0
Second Lien Term Loan	85.0

#### Total Sources

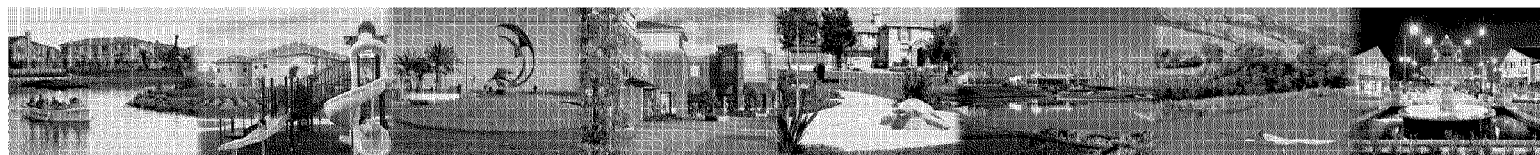
**\$245.0**

#### Uses

Repay Existing Debt	\$61.7
Equity Dividend	144.0
Liquidity Reserve Account	25.0
Prefund Cash Development Account	3.1
Transaction Fees and Expenses	11.3

#### Total Sources

**\$245.0**





### III. Updated Financial Information (contd.)

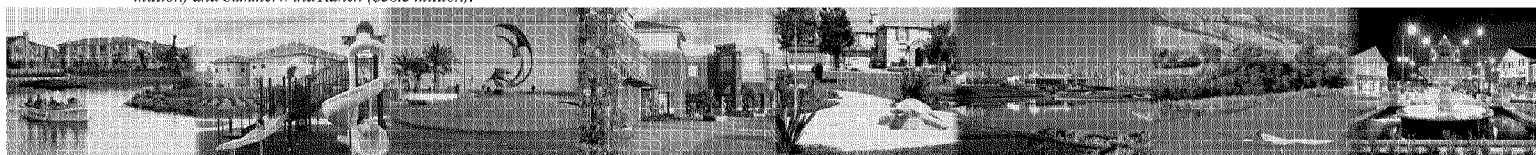
#### Pro Forma Capitalization and Credit Statistics

(\$ in millions)

<u>Capitalization Table</u>	<u>PF 11/30/05</u>	<u>Credit Statistics</u>	<u>PF 11/30/05</u>
Cash and Cash Equivalents	\$3.1	<b>Management Estimate <sup>(1)</sup></b>	
Liquidity Reserve	25.0	First Lien Debt / Total Net Value	18.4%
		Total Debt / Total Net Value	28.2%
Revolver (\$75mm)	\$0.0		
First Lien Debt	160.0	<b>Cushman Appraisal <sup>(2)</sup></b>	
Second Lien Debt	85.0	First Lien Debt / Total Net Value	16.0%
Total Debt	\$245.0	Total Debt / Total Net Value	24.5%
Net Debt	217.0		
		Cash + Liquidity Reserve + Revolver Capacity	\$103.1
Management Total Net Value <sup>(1)</sup>	\$868.3		
Cushman Total Net Value <sup>(2)</sup>	998.2		

(1) Total Net Value represents total revenue from land sales, less overhead expenses, land acquisition costs, development expenses, carrying costs and sales and marketing expenses per management projections.

(2) Aggregate Total Net Value of \$1,084.2 million per Cushman Wakefield's independent appraisal for each of the four projects adjusted for future land acquisition costs at Borchard Patterson (\$47.7 million) and SummerWind Ranch (\$38.3 million).







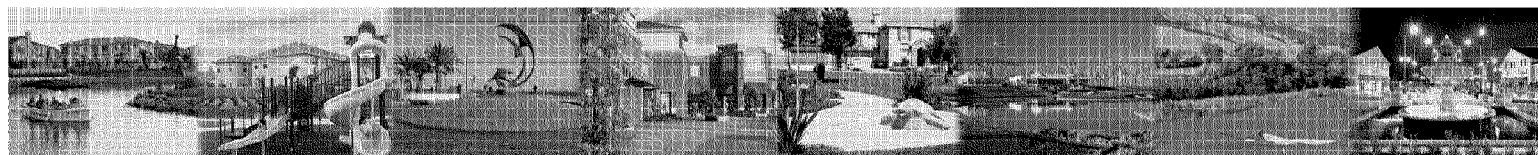
### III. Updated Financial Information (contd.)

#### Summary Projected Operating Cash Flows

##### Operating Cash Flows

(\$ in millions)

	(Dec.) Q4 2005	2006	2007	2008	2009	2010	2011	2012	2013	Total (05-13)
<b>Project Revenues</b>										
Land Sales Revenue (net of commission)	\$28.0	\$239.5	\$215.5	\$381.4	\$187.7	\$79.5	\$63.8	\$48.4	\$0.0	\$1,243.8
<b>Project Costs</b>										
Land Acquisition Costs	(\$0.1)	(\$42.1)	(\$45.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$87.2)
Direct and Indirect Development Costs	(13.4)	(155.1)	(160.9)	(107.6)	(56.7)	(20.8)	(12.3)	(4.2)	0.0	(531.2)
Total Project Costs	(\$13.5)	(\$197.2)	(\$205.9)	(\$107.6)	(\$56.7)	(\$20.8)	(\$12.3)	(\$4.2)	\$0.0	(\$618.3)
Plus: CFD Reimbursements	0.6	42.0	29.5	80.5	52.6	13.5	11.3	10.1	2.8	242.8
Net Project Costs	(\$12.9)	(\$155.2)	(\$176.4)	(\$27.1)	(\$4.1)	(\$7.3)	(\$1.1)	\$5.9	\$2.8	(\$375.5)
<b>Cash EBITDA</b>	<b>\$15.1</b>	<b>\$84.3</b>	<b>\$39.1</b>	<b>\$354.3</b>	<b>\$183.6</b>	<b>\$72.1</b>	<b>\$62.7</b>	<b>\$54.3</b>	<b>\$2.8</b>	<b>\$868.3</b>

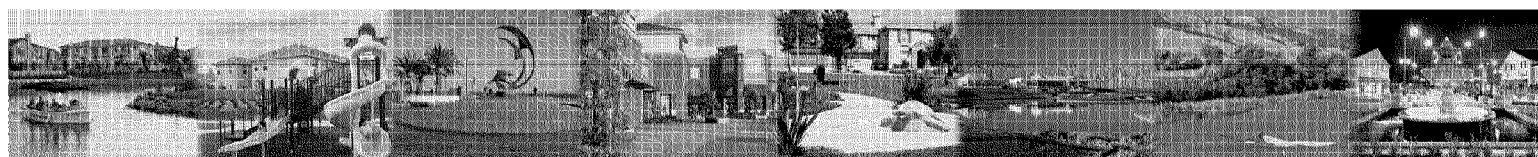




### III. Updated Financial Information (contd.)

#### Summary Projected Financing Cash Flows

(\$ in millions)	(Dec.) Q4 2005	2006	2007	2008	2009	2010	2011	2012	2013	Total (05-13)
Cash EBITDA	\$15.1	\$84.3	\$39.1	\$354.3	\$183.6	\$72.1	\$62.7	\$54.3	\$2.8	\$868.3
Less: Revolver Interest	(0.0)	(0.8)	(2.1)	(0.5)	(0.4)	0.0	(0.0)	(0.0)	0.0	(3.8)
Less: 1st Lien Facility Interest	(0.9)	(10.3)	(8.9)	(3.4)	0.0	0.0	0.0	0.0	0.0	(23.5)
Less: 2nd Lien Facility Interest	(0.8)	(9.6)	(9.7)	(8.9)	(1.7)	0.0	0.0	0.0	0.0	(30.6)
Less: 1st Lien Fixed Amortization @1.0%	(0.1)	(1.6)	(1.6)	(1.1)	0.0	0.0	0.0	0.0	0.0	(4.4)
Less: Cash Tax Distributions @45.0%	(5.2)	(51.6)	(44.9)	(84.6)	(44.0)	(17.0)	(13.7)	(10.7)	(0.5)	(272.4)
Cash Flow	\$8.0	\$10.5	(\$28.1)	\$255.8	\$137.6	\$55.1	\$48.9	\$43.6	\$2.2	\$533.6
Revolver Draw (Repayment)	\$0.0	\$8.9	\$38.9	(\$47.7)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
1st Lien Repayment	0.0	(30.3)	(10.8)	(114.5)	0.0	0.0	0.0	0.0	0.0	(155.6)
2nd Lien Repayment	0.0	0.0	0.0	(52.3)	(32.7)	0.0	0.0	0.0	0.0	(85.0)
Dividend Distributions	0.0	0.0	0.0	(66.3)	(104.9)	(55.1)	(48.9)	(43.6)	(2.2)	(321.0)
<b>Credit Statistics</b>										
1st Lien Debt / Total Net Value	18.7%	17.8%	22.4%	0.0%	0.0%	0.0%	0.0%	0.0%	NM	
Total Debt / Total Net Value	28.7%	28.8%	34.0%	8.7%	0.0%	0.0%	0.0%	0.0%	NM	
Cash + Liquidity Reserve + Revolver Capacity	\$111.0	\$91.1	\$52.3	\$75.0	\$75.0	\$0.0	\$0.0	\$0.0	\$0.0	



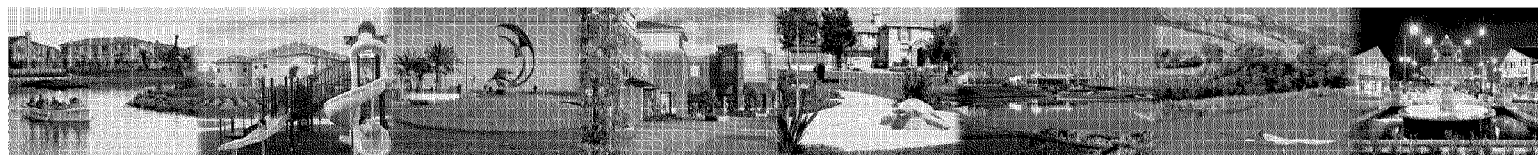


### III. Updated Financial Information (contd.)

#### Summary Projected Debt Balances

(\$ in millions)

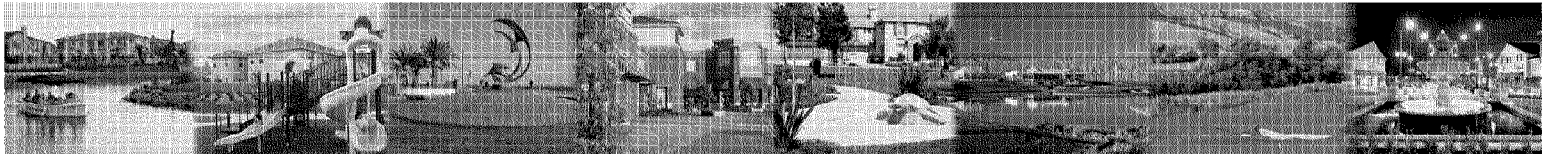
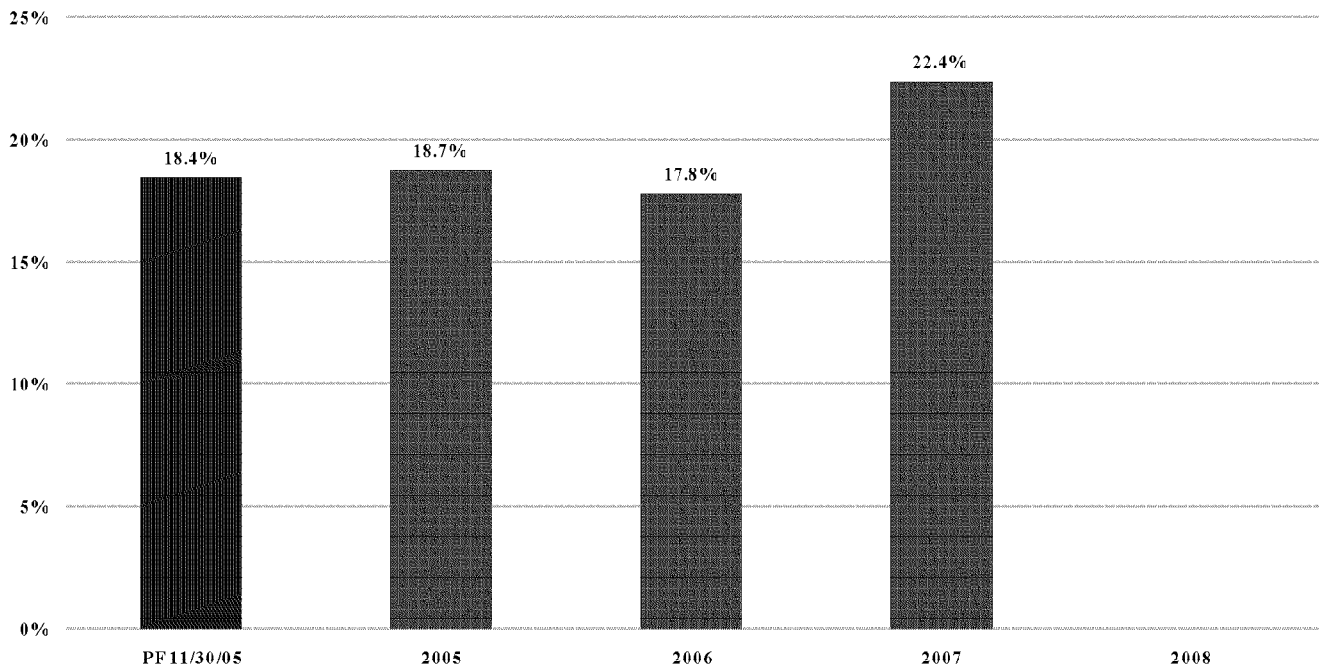
	(Dec.) Q4 2005	2006	2007	2008	2009	2010	2011	2012	2013	Total (05-13)
<b>Revolver (\$75mm)</b>										
Total Size	\$75.0	\$75.0	\$75.0	\$75.0	\$75.0	\$75.0	\$75.0	\$75.0	\$75.0	\$75.0
BOP Balance	0.0	0.0	8.9	47.7	0.0	0.0	0.0	0.0	0.0	0.0
Draw / Repayment	0.0	8.9	38.9	(47.7)	0.0	0.0	0.0	0.0	0.0	0.0
EOP Balance	\$0.0	\$8.9	\$47.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>First Lien Term Loan (\$160mm)</b>										
Beginning Balance	\$160.0	\$159.9	\$127.9	\$115.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$160.0
Required Amortization	(0.1)	(1.6)	(1.6)	(1.1)	0.0	0.0	0.0	0.0	0.0	(4.4)
Additional Repayment	0.0	(30.3)	(10.8)	(114.5)	0.0	0.0	0.0	0.0	0.0	(155.6)
Ending Balance	\$159.9	\$127.9	\$115.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Second Lien Term Loan (\$85mm)</b>										
Beginning Balance	\$85.0	\$85.0	\$85.0	\$85.0	\$32.7	\$0.0	\$0.0	\$0.0	\$0.0	\$85.0
Required Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional Repayment	0.0	0.0	0.0	(52.3)	(32.7)	0.0	0.0	0.0	0.0	(85.0)
Ending Balance	\$85.0	\$85.0	\$85.0	\$32.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0





### III. Updated Financial Information (contd.)

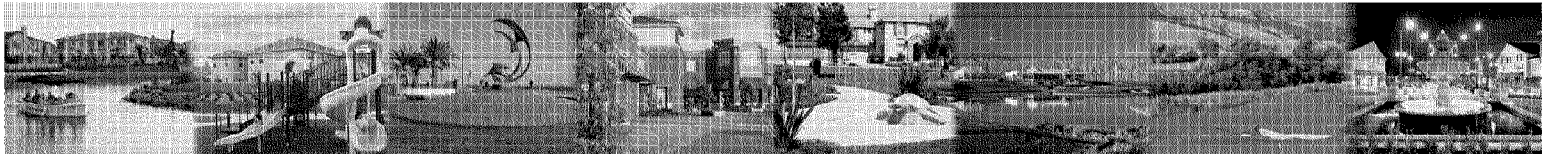
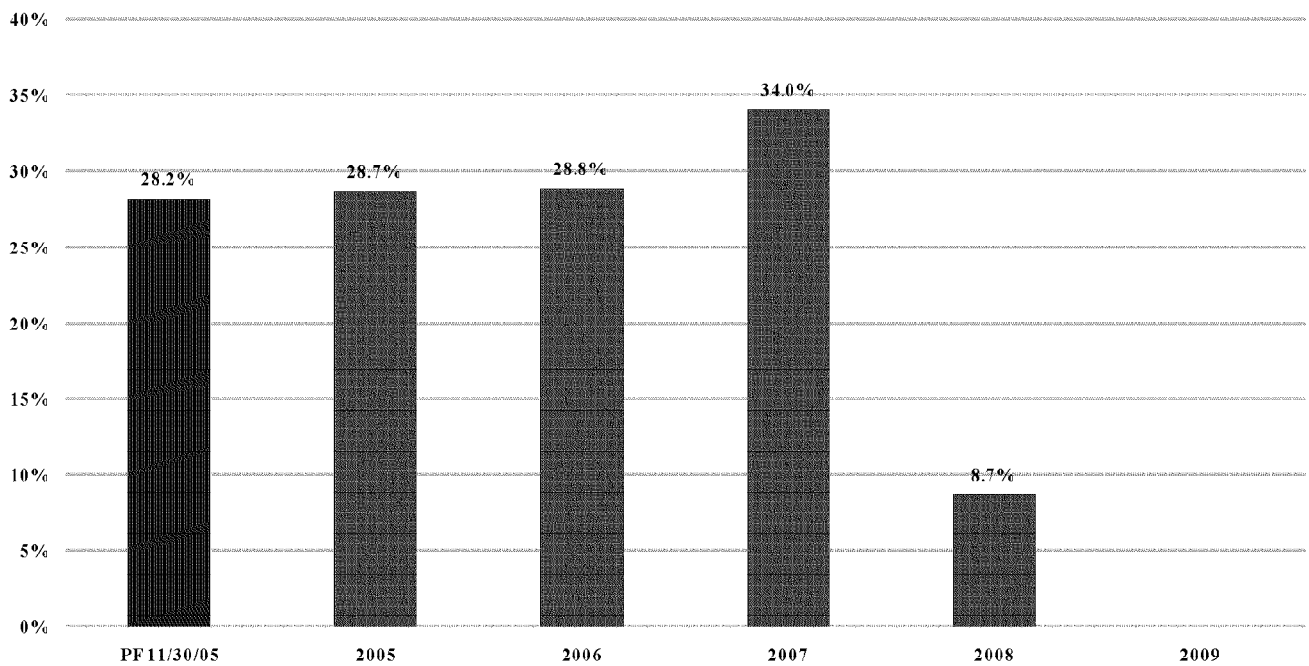
#### First Lien Debt / Total Net Value





### III. Updated Financial Information (contd.)

#### Total Indebtedness / Total Net Value



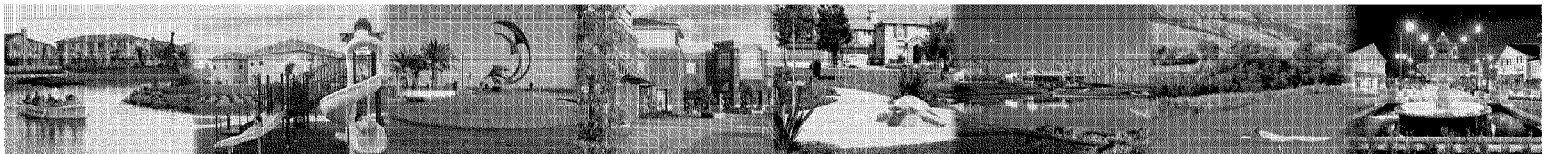
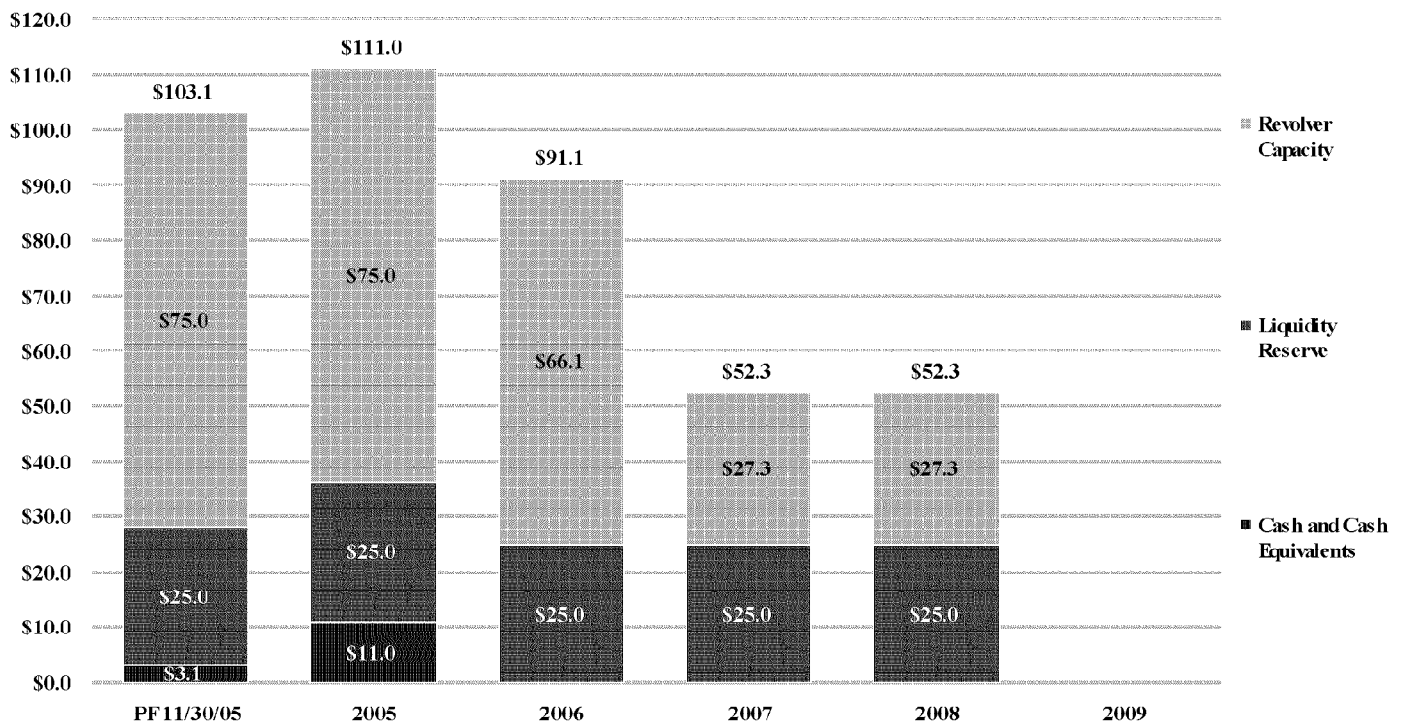
### III. Updated Financial Information (contd.)



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#### Total Liquidity: Cash + Liquidity Reserve + Revolver Capacity

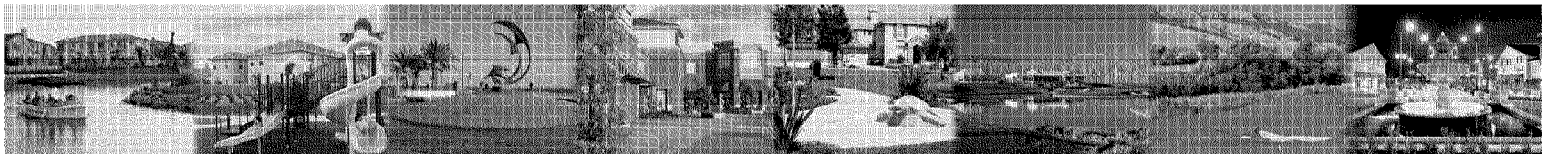
(\$ in millions)



LBREP00232064

## IV. Comparison of Structural Analysis

- ◆ Total Debt outstanding at close is reduced from \$320mm to \$245mm
  - First Lien Leverage is reduced from 23.8% to 18.4% (and 16.0% of Cushman and Wakefield's adjusted appraised value) at close
  - Total Leverage is reduced from 38.1% to 28.2% (and 24.5% of Cushman and Wakefield's adjusted appraised value) at close
- ◆ \$75mm Revolver + ability to retain up to \$50mm in the Development Account + Liquidity Reserve of \$25mm creates significant capacity to fund ongoing development needs
- ◆ Efficiency of structure generates interest savings of \$18.2mm further improving credit characteristics
- ◆ Improved covenant package
  - Inclusion of Liquidity Requirement of \$50mm
  - Reduction of maximum First Lien Leverage from 35.0% to 27.5%
  - Reduction of maximum Total Leverage from 55.0% to 40.0%
- ◆ Inclusion of a \$25mm Liquidity Reserve not contemplated in previous structure



## V. Updated Transaction Timing

November 2005						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December 2005						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31



Events



Holidays

**November 17<sup>th</sup>**

Lenders Presentation

**December 6<sup>th</sup>**

Commitments due from Lenders

**December 9<sup>th</sup>**

Closing and Funding of Credit Facility

**December 13<sup>th</sup>**

Lenders Comments due on Legal Documentation

**We would like to receive indications of updated ratings on or before November 11, 2005**

